

AMENDED IN ASSEMBLY JUNE 8, 2006

AMENDED IN SENATE MAY 11, 2006

SENATE BILL

No. 1126

Introduced by Senator Chesbro
(Coauthor: Assembly Member Berg)

January 9, 2006

An act to amend Section 3 of Chapter 1086 of the Statutes of 1970, relating to tidelands and submerged lands of the City of Eureka.

LEGISLATIVE COUNSEL'S DIGEST

SB 1126, as amended, Chesbro. Tidelands: City of Eureka.

Existing law grants to the City of Eureka all the right, title, and interest of the State of California in and to certain tidelands and submerged lands located in Humboldt Bay in trust for certain purposes. Existing law provides that certain moneys received by the City of Eureka from the ~~State~~ Controller shall be deposited in the Humboldt Bay Fund and may be used by the City of Eureka for the purposes for which revenues accruing from or out of the use of those granted tidelands may be used.

Existing law requires the City of Eureka, prior to June 30 of each year, to pay to the ~~State~~ Controller a specified amount of the money deposited by the city into the Humboldt Bay Fund during the preceding fiscal year in lieu of all obligations incurred by the city, as specified.

This bill would provide that the city's obligation to make those payments ceases when the ~~State~~ Controller notifies the chairs of the fiscal committees of each house of the Legislature and the Director of Finance that the city has paid to the ~~State~~ Controller an amount equal

to a loan of \$750,000—commencing on January 1, 1985, with interest, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 3 of Chapter 1086 of the Statutes of
2 1970, as amended by Section 1 of Chapter 1068 of the Statutes of
3 1982, is amended to read:

4 Sec. 3. (a) The city shall establish the Humboldt Bay Fund in
5 the manner as may be approved by the State Lands Commission,
6 and the city shall deposit therein all moneys received directly
7 from, or indirectly attributable to, the tide and submerged lands
8 granted to the city. An annual statement of financial condition
9 and operations, to conform with such requirements as the State
10 Lands Commission may prescribe, shall be submitted to the State
11 Lands Commission by the city on or before September 30th of
12 each year for the preceding fiscal year. In furtherance of its
13 management and administration over granted tide and submerged
14 lands, the State Lands Commission shall audit, or cause to be
15 audited, the operations and all books and records of the city.
16 Further, the city shall prepare and submit to the State Lands
17 Commission, for its review and approval, an annual budget with
18 respect to all revenues and expenditures regarding tide and
19 submerged lands granted to the city. All moneys received from
20 the State Controller pursuant to Section 18 of this act shall be
21 deposited in the Humboldt Bay Fund and may be used by the city
22 for the purposes for which revenues accruing from or out of the
23 use of the granted tidelands may be used pursuant to the
24 provisions of this act.

25 (b) ~~(1)~~—Prior to June 30 of each year, the city shall pay to the
26 State Controller a sum that is not less than 15 percent of the
27 amount of the money deposited by the city into the Humboldt
28 Bay Fund during the preceding fiscal year, after deducting from
29 the fund the principal and interest payments required by the
30 currently outstanding 1973 Municipal Harbor Improvement
31 Revenue Bond issue, and after the credit for reverted funds
32 provided for in Section 18 of this act. Moneys received from the
33 State Controller pursuant to Section 18 of this act shall not be

1 included in the calculation of the amount deposited into the
2 Humboldt Bay Fund. Payments made to the ~~State~~ Controller
3 pursuant to this section shall be in lieu of all obligations incurred
4 by the city pursuant to this section, as amended by Section 2 of
5 Chapter 1252 of the Statutes of 1971, and prior to the amendment
6 of this section during the 1977-78 Regular Session of the
7 Legislature. The city's obligation to make payments pursuant to
8 this section shall cease when the ~~State~~ Controller notifies the
9 chairs of the fiscal committees of each house of the Legislature
10 and the Director of Finance that the city has paid to the ~~State~~
11 Controller an amount equal to a loan of seven hundred fifty
12 thousand dollars (\$750,000) ~~commencing on January 1, 1985.~~
13 ~~The loan repayment shall be equal to the principal amount of~~
14 ~~seven hundred fifty thousand dollars (\$750,000) and~~
15 ~~compounded interest for the term of the loan, as described in~~
16 ~~paragraph (2).~~

17 (2) ~~For purposes of the loan repayments required in paragraph~~
18 ~~(1), the term shall be from January 1, 1985, until the date of the~~
19 ~~last payment. The interest rate shall be the average rate of interest~~
20 ~~earned by the Pooled Money Investment Account in calendar~~
21 ~~year 1985..~~

22 (c) In the event the city fails to make any payment required to
23 be made hereby for any reason whatsoever, the ~~State~~ Board of
24 Equalization, upon the order of the State Controller, shall deduct
25 the amount of that payment from the sales and use taxes to be
26 paid to the city thereafter pursuant to Section 7204 of the
27 Revenue and Taxation Code and shall pay the same to the ~~State~~
28 Controller.

29 (d) All payments made by the city and the State Board of
30 Equalization shall be considered as oil revenues and dry gas
31 revenues payable to the state pursuant to Chapter 138 of the
32 Statutes of 1964, First Extraordinary Session, during the year
33 they are received.

34 (e) For the purposes of Section 7 of this act, the amounts paid
35 to the ~~State~~ Controller by the city shall be considered as current
36 and accrued operating costs and expenditures directly related to
37 the operation and maintenance of tideland trust activities.